

EMBASSY BRAZZAVILLE'S ECONOMIC/COMMERCIAL PODCAST SERIES

June 14 – AGOA and Global Economic Statecraft Day

Hello. I'm DeMark Schulze, Economic Counselor at the United States Embassy. And I'm Andy Bemba, Economic Specialist at the embassy. Today we are going to give a brief presentation on the African Growth and Opportunity Act, known as AGOA. We hope that this will be the first in a long series of podcasts where we are able to present to you information on a number of economic and commercial topics pertaining to American-Congolese relations. This podcast, and any others that follow, will be available on our embassy's website and Facebook page.

First some background: AGOA is a law passed by the United States' Congress and signed by former President Bill Clinton in May 2000. In 2004, former President George W. Bush signed an extension of AGOA until 2015, but the basic goal has remained the same: provide quota and duty-free treatment for goods exported to the United States from sub-Saharan Africa. In effect, AGOA extends the rules under the Generalized System of Preferences to allow virtually all marketable goods from eligible countries to enter the United States' market duty free. Over 7,000 items are currently AGOA-eligible. Certain products may still have import taxes associated with them, but in 2010 and 2011, almost 95% of all U.S. imports from AGOA-eligible countries entered the United States duty-free. In 2010, the total amount of imports from sub-Saharan Africa under AGOA totaled over \$44 billion.

The Republic of the Congo has been AGOA-eligible since October 2000, though the country is not eligible under the so-called "Apparel Provision," which allows some countries to export fabrics and clothes from third-countries, mostly from Asia, if the eligible country has transformed the product in some way. In 2001, the first full year of its AGOA eligibility, Congo exported over \$130 million of goods to the United States under the program. AGOA exports grew to over \$477 million in 2011 from Congo, making it the fifth largest trading partner with the U.S. under AGOA, following Nigeria, Angola, South Africa, and Chad. However, virtually 100% of all AGOA-eligible exports to the United States from Congo remain either petroleum or minerals.

The first question that we often receive about AGOA is, "How can we take advantage of AGOA?" To export a product to the United States under AGOA, the seller must first verify whether the product is AGOA-eligible. This is a relatively simple matter of matching the product to the product eligibility list, available on either the AGOA or Generalized System of Preferences websites. [We will provide a link on our website in the text for this podcast.](#) [We will also provide some links on basics of exporting to the United States.](#) Each country's ports, customs, and trade authorities should be the primary point of contact for questions about how to export products. In the United States, for example, the Department of Commerce and the United States Trade Representative, among others, provide fee-for-service market research, find potential trading partners for companies, provide overseas exhibition support, provide individualized counseling and advocacy for companies, and offer training programs the answer questions like export documentation, export controls, and the basics of exporting. It is the responsibility of individual countries to provide these services for their own citizens and businesses. Several countries, for instance, have created National Technical Committees to work with United States trade agencies on improving utilization of AGOA.

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Whereas the actual exporting of products to the United States under AGOA is relatively straightforward, the most significant obstacle remains that of quality. There is a high standard for products of all types in the United States, driven primarily by consumers. Whether the product is a piece of furniture, flowers, meat, or a computer, American consumers demand only top-of-the-line products. American-based importers will most often require product samples and documented proof of international production and chain-of-custody standards before they will be willing to purchase products. Moreover, importers will want to work with exporters that have the capacity to produce large amounts of their products because even with AGOA duty-free status, importing products is expensive. There are many international standards bureaus and consultants that can help producers improve the quality of their products to raise them to international levels ready for export. Unfortunately, many of these types of services are expensive and few, if any, are located in Congo. Those countries that have been able to take advantage of AGOA have had trade ministries that have enlisted the support of international consultants to help them identify weaknesses in the quality-control standards in their country's leading industries.

We are releasing this podcast at this time because our Secretary of State, Hillary Clinton, has designated June 14th as Global Economic Statecraft Day. It is also the first day of the AGOA Forum being held in Washington D.C. and Cincinnati, Ohio. The theme for this year's AGOA Forum is "Reinforcing the commercial infrastructure of Africa."

Global Economic Statecraft Day is a global event we are holding on June 14 to highlight America's commitment to put economics at the center of our foreign policy and to use diplomacy to advance America's economic renewal. Our embassies and consulates are each hosting local events, and leaders from across the State Department will participate from the United States and abroad.

Thank you for your attention. We will hope to be back with you soon in a similar format sharing information on other economic and commercial matters relevant to you.